

Memo for the Record *all*

Subject: [ ] , Trip to Munich re Grallspace 1's Affairs

1. As agreed with [ ] and [ ] [ ] , in company with Grallspace 1, drive in [ ] personal car to Munich on Monday (9 March 1953). The purpose of the trip was twofold: (1) in order to take Grallspace 1 across the border securely on a waybill so that he could journey on to Memmingen to see his family and settle his German income tax, and (2) for [ ] to confer with MOB and [ ] on Grallspace matters. No difficulty was encountered getting Grallspace 1 across the Austro-German border with the waybill.

2. Upon arrival in Munich [ ] dropped Grallspace 1 at the Munich railroad station and agreed to meet him again on Wednesday evening 11 March in Freilassing. At that time [ ] will bring agent back over the border to Salzburg on a waybill. In the meantime Grallspace 1 will visit his wife and daughter in Memmingen and will settle his German income tax. [ ] then went immediately to see [ ] , with whom he conferred briefly about Grallspace 1. [ ] precluded any detailed debriefing on Grallspace 1 by saying that Munich has only acted as middleman in handling agent's affairs.

[ ] asked to read agent's file, which however did not shed too much light on the situation. However, [ ] did clarify the financial arrangements concerning the distribution of agent's salary. Grallspace 1 receives \$200 monthly, plus 1000 AMS (or local currency) subsistence monthly and housing allowance depending on where agent is living. 5 DM per day is paid to Grallspace 1's wife by MOB in Munich. However, in the past agent has requested that one month his wife receive all his salary while another month she receive only half (i.e., one month \$200 and the next month \$100). It was also noted that an exchange rate of \$100 equals 500 DM was established. In view of the fact that [ ] paid agent in Salzburg 2600 AMS (one-half month's salary in local currency) and MOB paid Grallspace 1's wife a full month's salary (1000 DM) agent received one half a month's salary. This mistake was innocently prompted by [ ] incomplete understanding of the matter and in no way was the result of an additional effort to keep agent "sweet." The situation can be easily remedied by merely making this extra half month's salary an advance on agent's March pay.

3. While reading agent's file [ ] noticed that Grallspace 1 received at one time a traffic summons which he apparently ignored. However, the matter does not seem resolved, and it is felt that it should be straightened out as soon as possible.

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4. [ ] next conferred with [ ] concerning agent's emigration to America and also to arrange for agent's and his wife's papers for Salzburg. [ ] turned over agent's TFD to [ ] for renewal. [ ] replied that such an action would take about 48 hours. It was therefore agreed that [ ] would have the document renewed and then pouch it to [ ] in Salzburg. A fee of 12.50 DM was paid and receipt returned.

5. [ ] answered in reply to [ ] query as to how fast agent could be sent to the States that it would depend under which DP act agent fell, (1) the DP Act, Section 3c which is the regular quota allotment, (2) Section 203 McCarran Act, or (3) PL 110, section 8, the last two of which provide for speedy emigration to the US of DPs who the Attorney General feels "would be of benefit to the United States Government or to the United States of America." It was not felt that agent would fall under the last two categories as no indication of KUBARK's interest in agent is to be shown, in spite of the fact that Headquarters has shown a decided desire to employ agent after his emigration. Therefore [ ] suggested that [ ] come to the latter's office in the Consulate at 1000 hours to determine the progress of Grallspace 1's emigration papers under category one (see paragraph 8).

6. [ ] gave [ ] a form for Grallspace 1's wife (or her husband) to fill out. The information on this form will be used for procuring her papers for coming to Salzburg. Case officer will have Grallspace 1 supply the necessary information.

7. After a brief discussion concerning agent's auto in Memmingen, [ ] suggested that best solution would be to have agent sell the car in Germany legitimately rather than to take possible risks in getting the car over the border to Austria under a different name. It is strongly recommended that since Grallspace 1 has to sell the car someday it might as well be now.

8. [ ] went to [ ] office in the Consulate at 1600 hours. The former informed him that as matters stand now, Grallspace 1 is still not eligible for emigration, but that in two or three weeks a new quota allotment will be received and perhaps at that time Grallspace 1 may be put on the list. He therefore suggested that [ ] contact him again in three weeks' time in the hope that there is more news. If Grallspace 1 makes this list, he will be ready for emigration about 1 June 1953. If not, he will have to wait out another quota allotment, which would mean another three months or perhaps August or September. [ ] also mentioned that a completely unevaluated report was received from 66th CIC which states that an allegation was made in June 1952 to the effect that Grallspace 1 was a Soviet agent. There was no indication as to where or by whom this allegation was made. [ ] suggested that a dispatch be sent to FOB to have the matter clarified through their liaison with 66th CIC. [ ] also made the statement that he feared that "certain persons" may know agent's true name (i.e., his born name), the Tolstoi Foundation among them. When asked how they might have obtained the information, [ ] replied, "probably through snoopers."

9. Having completed the business at hand, Pachatte returned to Salzburg the same day. He will meet Grallspice 1 at the Freilassing railroad station and escort him across the border to Salzburg on Wednesday evening, 11 March.

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